



6/30/05

MESSAGES FROM THE HOUSE

SB 279 (SWITALSKI)

Executive Order 2005-7 reduced the general fund appropriation to the school aid budget by \$99.5 million. There was, however, no corresponding funding increase in school aid revenue to offset the general fund reduction. Senate Bill 279 (H-2) would make changes to match revenue and appropriations by increasing revenue by \$39.1 million and reducing appropriations by \$60.4 million. The additional revenue would come from the change in the school bond loan program and from 2003-04 school aid reserve. Reductions in appropriations are the result of lower pupil membership estimates and increased taxable values, which are reflected in the foundation allowance payments and lower estimated costs for special education services. There would be no impact to schools from these changes.

- The Senate concurred with the House changes to SB 279 [RC 308: 36 yes, 0 no]. Immediate Effect was given to the bill.

SBs 264-81 (DEMS)

Budget bills

- The Senate (unanimously) did not concur with the House changes to SBs 264-81 [RCs 316-31]. See BUDGET section below.

SB 136 (George)

SB 136 would prohibit a person from issuing or using a false academic credential, or claiming to have an academic credential he or she did not have. The bill also would prescribe civil fines against violators. Specifically, the bill would prohibit a person from knowingly issuing or manufacturing a false academic credential. If the Director of the Department of Labor and Economic Growth found that a person had violated this provision, the Director could assess against that person a maximum civil fine of \$20,000.

- The Senate concurred with the House changes to SB 136 [RC 315: 36 yes, 0 no].

SB 211 (Birkholz)

SB 212 (Van Woerkom)

SB 213 (Stamas)

SB 215 (Gilbert)

SB 507 (Birkholz)

SBs 211-15 and SB 507 would provide a comprehensive strategy focused on enforcement, public education, control, and prevention of the spread of harmful fish, plants, and insects into the Great Lakes and our in-land lakes and streams. The House adopted substitutes to of each of the bills. Changes made in committee are largely technical, including tie-barring to the bills to House Bills 4714-16, rather than the corresponding senate bills.

SB 211 would define “prohibited aquatic plant species”, “prohibited insect species”, “prohibited fish species”, and “restricted aquatic plant species.”

- The Senate concurred with the House changes to SB 211 [RC 304: 35 yes, 0 no]. Immediate Effect was given to the bill.

SB 212 would prohibit a person from possessing a prohibited or restricted species, subject to certain exceptions, or introducing a prohibited or restricted species.

- The Senate concurred with the House changes to SB 212 [RC 305: 36 yes, 0 no]. Immediate Effect was given to the bill.

SB 213 would prohibit a person from knowingly introducing a prohibited, restricted, genetically engineered or nonnative fish, insect, or aquatic plant.

- The Senate concurred with the House changes to SB 213 [RC 306: 36 yes, 0 no]. Immediate Effect was given to the bill.

SB 215 would create the Invasive Species Fund within the State Treasury. The bill also would require the DNR to post on its website the list of prohibited and restricted species, and the penalties for violating these laws.

- The Senate concurred with the House changes to SB 215 [RC 306: 36 yes, 0 no]. Immediate Effect was given to the bill.

SB 507 would include the possession or release of a genetically engineered, nonnative, or prohibited organism in the sentencing guidelines.

- The Senate concurred with the House changes to SB 507 [RC 314: 36 yes, 0 no]. Immediate Effect was given to the bill.

SB 257 (Hammerstrom)

SB 257 would extend through the years 2005 and 2006 the authority of the Liquor Control Commission to issue additional resort licenses, resort economic development licenses, and specially licenses in resort areas. Resort licenses allow the sale of alcoholic liquor for on-premises consumption.

Support: Liquor Control Commission, Michigan Restaurant Association, Associated Food Dealers, Michigan Grocers Association.

Oppose: Michigan Licensed Beverage Association.

- The Senate concurred with the House changes to SB 257 [RC 354: 36 yes, 0 no]. Immediate Effect was given to the bill.

SB 306 (Birkholz)

SB 306 would authorize the Department of Management and Budget to convey two parcels of property to the Grand Ledge School District in Eaton County for \$1. The bill also would authorize the conveyance of one parcel of property to the school district for not less than fair market value as determined by an independent fee appraiser.

- The Senate concurred with the House changes to SB 306 [RC 309: 36 yes, 0 no]. Immediate Effect was given to the bill.

SB 406 (JACOBS)

SBs 406-11 would realize \$41.1 million for the School Aid Fund in the current year and \$44.5 million in 2006. Additionally, the bills stems the growth of debt service costs which could grow from the current \$44 million to nearly \$200 million in 2021.

SB 406 would create the School Bond Qualification, Approval and Loan Act. Under the bill, school districts apply to the State Treasurer for prequalification of a proposed school bond issue. The main change in the new statute will be a requirement that the school district will be able to repay all outstanding qualified loans at the times stated. Current practice has allowed districts to roll over loans and push out the date for repaying the state.

- The Senate concurred with the House changes to SB 406 [RC 310: 33 yes, 3 no]. Immediate Effect was given to the bill.

SB 446-47 (JACOBS)

SB 446 would implement a 6% quality assurance assessment fee on any specialty prepaid health plan that has a managed care contract with the Dept. of Community Health. A specialty prepaid health plan is a managed care entity that provides Medicaid covered specialty services (mental health, developmental disabilities and substance abuse services) under a contract with the state and on the basis of prepaid capitation fee- to beneficiaries who need such care.

The 6% tax rate will generate \$89 million in tax revenue. \$35 million of the state restricted tax revenue will be used to offset general fund revenues in the Medicaid mental health and Medicaid substance abuse services appropriations. The remaining \$54 million will be used to earn \$70 million in federal Medicaid revenues. The result will be an additional \$124 million in revenue to fund a rate increase for community mental health and substance abuse providers.

- The Senate concurred with the House changes to SB 446 [RC 311: 36 yes, 0 no]. Immediate Effect was given to the bill.

SB 447 would require that specialty prepaid health plans be considered Medicaid managed care organizations. This would make it clear that the specialty prepaid health plans would be eligible for a quality assurance assessment program.

- The Senate concurred with the House changes to SB 447 [RC 312: 36 yes, 0 no]. Immediate Effect was given to the bill.

SB 482 (Allen)

SB 482 would allow tax increment funds to be used for the financing of baseline environmental assessment activities; due care activities; and additional response activities.

- The Senate concurred with the House changes to SB 482 [RC 313: 36 yes, 0 no]. Immediate Effect was given to the bill.

SB 513 (Hammerstrom)

SB 513 would make technical changes to school election consolidation laws.

6/28:

- *EMERSON 1 (1 amend) was defeated [RC 284: 16 yes, 20 no]. This would strike the section, added by the House, concerning digital signatures.*
- *EMERSON 2 (2 amends) was withdrawn.*
- *Hammerstrom 3 (1 amend) was adopted [no RC].*
- *The Senate concurred with the House changes to SB 513, as amended by the Senate [RC 285: 21 yes, 15 no]. Immediate Effect was not given to the bill [no RC].*

6/30:

- Concurrence of SB 513 was reconsidered. New amendments were added to modify the bill, so that the Secretary of State's office and the Granholm administration could agree on the bill's provisions.
- Hammerstrom 1 (3 amends) was adopted [no RC].
- Hammerstrom 2 (1 amend) was adopted [no RC].
- Hammerstrom 3 (1 amend) was adopted [no RC].
- Hammerstrom 4 (3 amends) was adopted [no RC].
- Hammerstrom 5 (2 amends) was adopted [no RC].
- Hammerstrom 6 (1 amend) was adopted [no RC].
- The Senate concurred with the House changes to SB 513, as amended by the Senate [RC 356: 37 yes, 0 no].

SB 522 (McManus)

SB 522 would provide that a utility company could construct utility lines and structures, including pipelines, in the right-of-way of a limited access highway, including under any public road, street or other subsurface that intersects any limited access highway at a different grade, without first getting consent from the city, village or township where the project is located. The project must meet standards approved by the state transportation commission and the public service commission as well as conform to federal laws and regulations. The bill would create a \$1,000 per mile (\$5,000 minimum) fee on utilities that want to use limited access highway right-of-way.

Support: Wolverine Oil Company, Associated Petroleum Industries of MI, Michigan Manufacturers Association, Michigan Petroleum Association, Operating Engineers, Michigan Chamber of Commerce, Lansing Regional Chamber of Commerce.

Oppose: Michigan Municipal League, City of Lansing, Michigan Townships Association, Michigan Association of Counties.

- The Senate concurred with the House changes to SB 482 [RC 355: 31 yes, 6 no]. Immediate Effect was given to the bill.

SB 525 (Bishop)

SB 525 would change the date a Michigan early state venture investment corporation shall incorporate under the nonprofit corporation act from September 1, 2004 to August 1, 2005. The U.S. Internal Revenue Service has ruled that the Michigan Early Stage Venture Investment Corporation qualifies as a tax-exempt organization; however, this approval came after September 1, 2004, which under current law was the deadline for receiving such approval from the IRS. Therefore, changing the date by which this IRS approval must be received to August 1, 2005, as proposed by the bill, would correct this timing problem. This is viewed as a technical change and would have no fiscal impact.

- The Senate concurred with the House changes to SB 525 [RC 353: 35 yes, 0 no]. Immediate Effect was given to the bill.

FINAL PASSAGE

SB 34 (JACOBS)

SB 34 would allow municipalities (cities, townships, villages) to establish corridor improvement authorities for the purpose of encouraging redevelopment of commercial areas that have worn down and are in need of financial rescue.

- Committee 1 (S-4) was adopted. (6/29)
- SB 34 was moved to 3rd Reading.
- SB 34 passed [RC 333: 32 yes, 3 no (Cassis, Paterson, Toy)]. (6/30)

SB 129 (Sanborn)

SB 247 (Allen)

SBs 601-15 (GOP)

SEX OFFENDER PACKAGE

SB 129 would allow a sentencing court to: 1) Place a person on probation for a minimum of five years if he or she were convicted of certain child sexual assault crimes or kidnapping. 2) Prohibit a person placed on probation under the bill from living within one mile of a school or entering upon school property.

- Cropsey 1 was adopted. (6/29)
- Committee 1 (S-2) was adopted.
- SB 129 was moved to 3rd Reading.
- Cropsey 1 (1 amend) was adopted [no RC]. (6/30)
- LELAND 2 (1 amend) was defeated [no RC]. This would raise the age from 19 to 25 for those offenders in school and visiting at home.
- SB 129 passed [RC 340: 33 yes, 1 no].

SB 247 would include special education personnel in requirements for State Police and FBI criminal history checks, and require a school district, public school academy, or nonpublic school to notify an applicant if a criminal history check revealed a felony conviction or a conviction of a misdemeanor involving sexual or physical abuse.

- SB 247 was moved to 3rd Reading. No amendments. (6/29)
- SB 247 passed [RC 334: 35 yes, 0 no]. (6/30)

SB 601 would require all school employees, including part-time and contractual, to be subject to criminal background checks. Further, the bill requires that any individual convicted of an offense that warrants registry on the sex offenders registry cannot be employed in any school. A person convicted of a felony, other than those requiring registration, cannot be employed unless the superintendent or school board specifically approve the employment in writing.

- *Committee 1 (S-2) was not adopted. (6/29)*
- *Van Woerkom (S-3) was adopted.*
- *SB 601 was moved to 3rd Reading.*
- **SB 601 passed [RC 335: 35 yes, 0 no]. (6/30)**

SB 605 would make the sentencing guidelines conform to provisions in SB 130 which would prohibit a person who was convicted of a "listed offense" from serving as a coach on an independent youth athletic team based in Michigan, unless the person disclosed to the team's sanctioning organization that he or she had been convicted of a listed.

- *SB 605 was moved to 3rd Reading. No amendments. (6/29)*
- **SB 605 passed [RC 341: 34 yes, 0 no]. (6/30)**

SB 606 would make the sentencing guidelines conform to provisions in SB 607 which provides for criminal penalties for sex offenders failure to update sex offender registration.

- *Committee 1 (S-1) was adopted. (6/29)*
- *SB 606 was moved to 3rd Reading.*
- **SB 606 passed [RC 342: 34 yes, 0 no]. (6/30)**

SB 607 provides for criminal penalties for sex offenders failure to update sex offender registration.

- *Committee 1 (S-1) was adopted. (6/29)*
- *SB 607 was moved to 3rd Reading.*
- **SB 607 passed [RC 343: 34 yes, 0 no]. (6/30)**

SB 608 would allow evidence of past criminal sexual offenses against a minor, resulting in a conviction or acquittal, to be admissible in court as to the individual's character in any other criminal proceeding in which the individual is alleged to have committed a new crime or kidnapping against a minor.

- *Cropsey 1 was adopted. (6/29)*
- *Committee 1 (S-1) was adopted.*
- *SB 608 was moved to 3rd Reading.*
- **SB 608 passed [RC 344: 34 yes, 0 no]. (6/30)**

SB 609 would disallow tenure rights to a teacher convicted of a crime requiring registry on the sex offenders list.

- *Committee 1 (S-1) was not adopted. (6/29)*
- *Kuipers (S-2) was adopted.*
- *SB 609 was moved to 3rd Reading.*
- **SB 609 passed [RC 336: 35 yes, 0 no]. (6/30)**

SB 610 would add misdemeanors that require registration on the sex offenders registry to those crimes for which a teaching certificate can be suspended. The bill would also provide for escrow of wages for a person convicted of crimes that require a summary suspension of certification (including any of those that require registration on the sex offenders registry) until such time as a final determination is made regarding the certificate. If the certificate is not suspended or revoked, the employee receives the wages. If it is, the wages are returned to the school district. A person who is convicted of a crime requiring registration on the sex offenders registry is not entitled to petition for reinstatement of a teaching certificate.

- *Committee 1 (S-1) was not adopted. (6/29)*
- *Kuipers (S-2) was adopted.*
- *SB 610 was moved to 3rd Reading.*
- **SB 610 passed [RC 337: 35 yes, 0 no]. (6/30)**

SB 611 would amend the sentencing guidelines to make failure to report a charge or conviction by a school employee a felony (established by SB 612).

- *Committee 1 (S-1) was adopted. (6/29)*
- *SB 611 was moved to 3rd Reading.*
- **SB 611 passed [RC 338: 35 yes, 0 no]. (6/30)**

SB 612 would require school employees to report to the department and their employing unit if they are charged with a crime for which a teaching certificate can be suspended. Under the package, this would include any offense which requires registration on the sex offenders registry. Failure to report a charged felony is a felony punishable by not more than two years or a fine of not more than \$2000, or both. Failure to report a misdemeanor is a misdemeanor punishable by imprisonment for not more than a year or a fine of not more than \$1000, or both.

- *Johnson 2 was adopted. (6/29)*
- *Committee 1 (S-1) was not adopted.*
- *SB 612 was moved to 3rd Reading.*
- **SB 612 passed [RC 339: 35 yes, 0 no]. (6/30)**

SB 613 would add to the sentencing guidelines failure to report felony charges to an employer, as SB 614 would require. The offense would be a felony punishable by up to two years' imprisonment.

- *SB 613 was moved to 3rd Reading. No amendments.*
- **Johnson 1 (1 amend) was adopted [no RC]. (6/30)**
- **SB 613 passed [RC 345: 35 yes, 0 no].**

SB 614 would require child care centers/day care centers to perform background checks on potential employees using the Dept. of State Police's Internet database. If the background check revealed that an individual has been convicted of a listed offense under the Sex Offenders Registration Act, the center would not be allowed to offer that person a job.

- *Hardiman (1A) was adopted. (6/29)*
- *Coleman (1B) was adopted.*
- *JACOBS (1C) was adopted.*
- *JACOBS (1D) was adopted.*
- *Committee (S-1) was adopted.*

- *SB 614 was moved to 3rd Reading.*
- **SB 614 passed [RC 346: 35 yes, 0 no]. (6/30)**

SB 615 would require day care provider licensees to undergo a criminal background check when applying for or renewing a license; if a licensee/potential licensee does not undergo the check, Dept. of Human Services would not be allowed to grant/renew a license.

- *SB 615 was moved to 3rd Reading. (6/29)*
- **Johnson 1 (2 amends) was withdrawn. (6/30)**
- **Johnson/JACOBS 2 (3 amends) was adopted [no RC]. Family members of a day care center would also have to undergo background checks.**
- **SB 615 passed [RC 347: 35 yes, 0 no].**

SB 351 (Hammerstrom)

SB 351 would provide for the registration of acupuncturists. The bill would do all of the following: Establish a \$75 application processing fee and an annual \$150 registration fee. Prohibit an individual from calling himself or herself an acupuncturist, or using certain other titles, without being registered. Create the Michigan Board of Acupuncture within the Department of Community Health (DCH). Require the DCH, in consultation with the Board, to promulgate rules setting forth the minimum standards for registration as an acupuncturist.

- *Committee S-1 was adopted. (6/29)*
- *SB 351 was moved to 3rd Reading*
- **SB 351 passed [RC 350: 35 yes, 0 no]. (6/30)**

SB 540 (Sanborn)

SB 540 would exempt professional employer organization employees from licensing/registration requirements to be a mortgage broker, lender . If a mortgage broker is licensed or registered and has employees solely engaged in providing services of just that one broker, the employees are not required to be licensed/registered. This bill takes into account the role of PEOs and extends the same waiver to PEO employees.

- *Sanborn 1 was adopted [no RC]. (6/29)*
- *SB 540 was moved to 3rd Reading.*
- **SB 540 passed [RC 332: 35 yes, 0 no]. (6/30)**

SB 599 (George)

SB 599 would create a new category of brownfield credits in the Single Business Tax Act, and expedite the processing of these credits. The credit would apply to projects with a cost of \$2 million or less and eligible for a credit of \$200,000. There would be no more than 100 projects approved in each year. MEGA would be able to use only the following criteria in deciding to approve a project: 1) The project is eligible for investment; 2) The project is on property that is a facility, is blighted or is functionally obsolete; 3) The project will create jobs.

Support: Michigan Chamber of Commerce, Michigan Bankers Association, and the Community Economic Development Association of Michigan.

- *SB 599 was moved to 3rd Reading. No amendments. (6/29)*
- **George 1 (1 amend) was adopted [no RC]. (6/30)**
- **SB 599 passed [RC 352: 23 yes, 13 no].**

HB 4275 (Vander Veen)

The bill would require the Board of State Canvassers to declare a ballot question petition sufficient unless it determined that the petition was not in proper form or that the number of valid signatures was less than the required minimum number. In determining the sufficiency of the petition form, the Board could not consider the substance of the proposal affixed to the petition.

- *HB 4275 was moved to 3rd Reading. No amendments. (6/29)*
- *HB 4275 passed with IE [RC 351: 35 yes, 0 no]. (6/30)*

HB 4825 (MURPHY)

HB 4825 would amend the Children's Trust Fund act to eliminate that restriction on disbursements. Currently, once the total assets in the fund exceed \$20 million, only the interest and earnings credited to the trust fund are available for disbursement. Instead, up to one-half of the money contributed to the fund each year, and the earnings credited to the fund during the previous fiscal year, would be available for disbursement. The Children's Trust Fund was established by the legislature in 1982 to fund efforts to prevent child abuse and neglect.

- *HB 4825 was moved to 3rd Reading. No amendments. (6/29)*
- *JACOBS 1 (1 amend) was adopted [no RC]. (6/30)*
- *HB 4825 passed with IE [RC 348: 35 yes, 0 no].*

HB 4826 (Baxter)

HB 4826 would increase the number of public members on the Child Abuse and Neglect Prevention Board from 10 to 11. This would restore the total membership to 15; a member was lost when the departments of Mental Health and Public Health merged since both department directors served on the board.

- *HB 4826 was moved to 3rd Reading. No amendments. (6/29)*
- *HB 4826 passed with IE [RC 349: 35 yes, 0 no]. (6/30)*

RESOLUTIONS

SR 48 (Van Woerkom)

A resolution to urge the Michigan Department of Agriculture and the Michigan Department of Environmental Quality to continue participating in the Michigan Agriculture Environmental Assurance Program and promote all of Michigan agriculture's efforts to obtain verification under the program.

- *SR 48 was adopted [no RC].*

HCR 18 (Ward/WATERS)

House rules dealing with conference committees.

- *HCR 18 was adopted [no RC].*

BUDGETS

SB 264 (BARICA)

Department of Agriculture budget

- The Senate did not concur with the House changes to SB 264 [RC 316: 0 yes, 36 no].

SB 266 (SWITALSKI)

Community Colleges budget

- The Senate did not concur with the House changes to SB 266 [RC 317: 0 yes, 36 no].

SB 267 (CHERRY)

Department of Community Health budget

- The Senate did not concur with the House changes to SB 267 [RC 318: 0 yes, 36 no].

SB 268 (SWITALSKI)

Department of Corrections budget

- The Senate did not concur with the House changes to SB 268 [RC 319: 0 yes, 36 no].

SB 269 (SCOTT)

Department of Education budget

- The Senate did not concur with the House changes to SB 269 [RC 320: 0 yes, 36 no].

SB 270 (BARCIA)

Department of Environmental Quality budget

- The Senate did not concur with the House changes to SB 270 [RC 321: 0 yes, 36 no].

SB 271 (SCOTT)

Department of Human Services

- The Senate did not concur with the House changes to SB 271 [RC 322: 0 yes, 36 no].

SB 272 (SWITALSKI)

General Government budget

- The Senate did not concur with the House changes to SB 272 [RC 323: 0 yes, 36 no].

SB 273 (CHERRY)

Higher Education budget

- The Senate did not concur with the House changes to SB 273 [RC 325: 0 yes, 36 no].

SB 274 (CLARKE)

Department of History, Arts, and Libraries budget

- The Senate did not concur with the House changes to SB 274 [RC 324: 0 yes, 36 no].

SB 275 (PRUSI)

Judiciary budget

- The Senate did not concur with the House changes to SB 275 [RC 326: 0 yes, 36 no].

SB 276 (PRUSI)

Department of Labor and Economic Growth budget

- The Senate did not concur with the House changes to SB 276 [RC 327: 0 yes, 36 no].

SB 277 (CLARKE)

Department of Military and Veterans Affairs budget

- The Senate did not concur with the House changes to SB 277 [RC 328: 0 yes, 36 no].

SB 278 (PRUSI)

Department of Natural Resources budget

- The Senate did not concur with the House changes to SB 278 [RC 329: 0 yes, 36 no].

SB 280 (CLARKE)

State Police budget

- The Senate did not concur with the House changes to SB 280 [RC 330: 0 yes, 36 no].

SB 281 (BARCIA)

Department of Transportation budget

- The Senate did not concur with the House changes to SB 281 [RC 331: 0 yes, 36 no].